(c) A Memorandum of Understanding on defence cooperation between India and Malaysia was signed in 1993. While military training remains the principal activity in India-Malaysia defence relations, there are other areas of cooperation such as exchange of high level visits, ship visits, maritime cooperation and participation in exhibitions. There exists a Malaysia-India Defence Cooperation Committee, which meets periodically to review the defence cooperation between the two countries.

Closing down of uneconomical Military Farms

2771. SHRI B.K. HARIPRASAD: Will the Minister of DEFENCE be pleased to state:

(a) whether the military farms, set up almost a century ago, are currently meeting only 53 per cent of army's requirement of milk and the rest is being procured from the open market;

(b) whether the cost of milk being supplied by Military Farms is higher than the market rate for the comparable quality, because of inefficient use of manpower machinery and land; and

(c) whether recommendations were made by various committees from time to time to close down the uneconomical farms, and if so, the action taken thereon?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) and (b) The Comptroller and Auditor General of India in their Performance Audit Report No. 3 of 2006 has observed that Military Farms (MFs) were able to meet only 53 per cent of the annual requirement of milk of the Army. The report has also observed that the cost at which the milk was supplied by the MFs to the Army was higher than the market rate by Rs. 2.94 per litre and that the inability of the MFs to utilize their manpower, machinery and land efficiently contributed to the increased cost of production and supply.

(c) A Commitee set up by the Ministry of Defence recommended closure of 18 uneconomical military farms, which have since been closed.